



MULTI-DEBTOR DIP FACILITY

BORROWERS: Eagle Creek LLC and all entities which file proceedings

LENDERS: Frank Martin and other parties including current second mortgage holders to be determined ("DIP Lenders")

FACILITY SIZE: \$5,000,000

CREDIT FACILITY: Term loans with maturity up to forty-eight (48) months from date; all principal and interest at twenty (20%) percent per annum due at maturity.

SECURITY: Lien junior to only the first mortgage indebtedness ("Bank Lender") including future advances under the first mortgage indebtedness.

PURPOSE: Provide amounts necessary to assure delivery of lots to purchasers in a timely manner and free of liens and to cover other operating costs as needed.

PRIMARY LIABILITY: Each borrower will be primarily liable for the amount loaned to that borrower.

SECONDARY LIABILITY: Each borrower will be secondarily liable for its pro-rata share (based on the amount borrowed) of any shortfall in payment by any primary borrower after liquidation of primary borrower's real estate assets.

CONDITIONS:

1. Approval by the Bankruptcy Court of both interim and a final order authorizing and approving the DIP Facility on terms approved by the DIP Lenders.
2. Granting of priority over any and all administrative expenses, including, without limitation, the kind specified in Section 503(b) and 507(b) of the Bankruptcy Code, except for the Carve-Out Expenses as provided herein.
3. Order of the Bankruptcy Court approving each Debtor's use of cash collateral.
4. Order providing, for the sale of the lots free and clear of any claims or interest and payment of the agreed operating expenses of the Debtors with the balance payable to or for the benefit of the Bank Lender.
5. Order providing that any junior lien holder, including, without limitation, the second mortgage holders shall retain their interest subject to the priming lien of the DIP Lenders.

6. After entry of an agreed Interim Order, but prior to the entry of the agreed Final Order, up to the sum of \$300,000.00 shall be available to be borrowed by the Debtors. After the entry of the agreed Final Order, the remaining sums under the DIP Facility will be available to be drawn by the Debtors.

7. Order providing for a Carve-Out for certain required costs and expenses subject to approval by the Bankruptcy Court:

- a. professional fees for the Debtors as allowed;
- b. professional fees and expenses for any committee appointed by the Bankruptcy Court as allowed;
- c. cost of operation as set forth in the budget through the Termination Date of the DIP Facility;
- d. fees payable to the Bankruptcy Administrator's Office as statutory fees;

8. Other normal terms and conditions for DIP facilities including termination events.